



Understanding School Funding at *Warren Local School District*

A letter to our community — explaining how our schools are funded, what's changing, and why it matters for every student and taxpayer in Warren Local School District.

A Letter to Our Taxpayers

The following is an open response to a community member who asked about school funding and recent changes to their tax bill. It speaks directly to questions many of you may feel.

"Thank you for your email and for your continued support of Warren Local Schools. We deeply appreciate community members like you who take an active interest in understanding school funding... this is a very complex subject, complicated by the fact that everyone's taxes just went up, yet our forecast shows decreases in property tax revenue over the next five years."

Property owners across Washington County saw noticeable increases in taxable values after the recent triennial update. While Ohio law includes mechanisms intended to prevent school districts from receiving large "windfall" increases, the interaction between reappraisals, inside millage, emergency levies, and the 20-mill floor makes tax bills difficult to interpret.

Where Does Our Funding Come From?

Warren Local School District's budget is built on two primary sources of revenue. Understanding both is essential to understanding the challenges we now face.

State Funds

Determined every two years by the Ohio General Assembly and approved by the governor. The district must rely on the state budget cycle – and actively lobby – to maintain adequate funding levels. This share has become increasingly unpredictable.

Local Funds

Derived from local property tax collections, including voted levies, emergency levies, bond levies, and inside millage. Historically stable and reliable – but recent state legislation is now significantly eroding this revenue stream.

- ❑ Together, these two sources fund everything from teacher salaries and classroom materials to building maintenance and student programs.

Four New Laws — Four New Challenges

In 2026, the Ohio legislature enacted four bills that together represent a significant threat to Warren Local's local funding. Each bill chips away at the district's ability to maintain stable revenue.

House Bill 186

Limits property tax growth during reappraisal/update to a 3-year inflation average. In calendar year 2026, Warren Local taxpayers will receive a collective credit of **\$819,365** — meaning the district will not receive those funds. This represents an **8% decrease** in our local share of funding.

House Bill 335

Applies HB 186 limitations to inside millage and activates HB 920 reduction factors on revenue sources that were previously protected. This further restricts the district's ability to benefit from rising property values.

House Bill 129

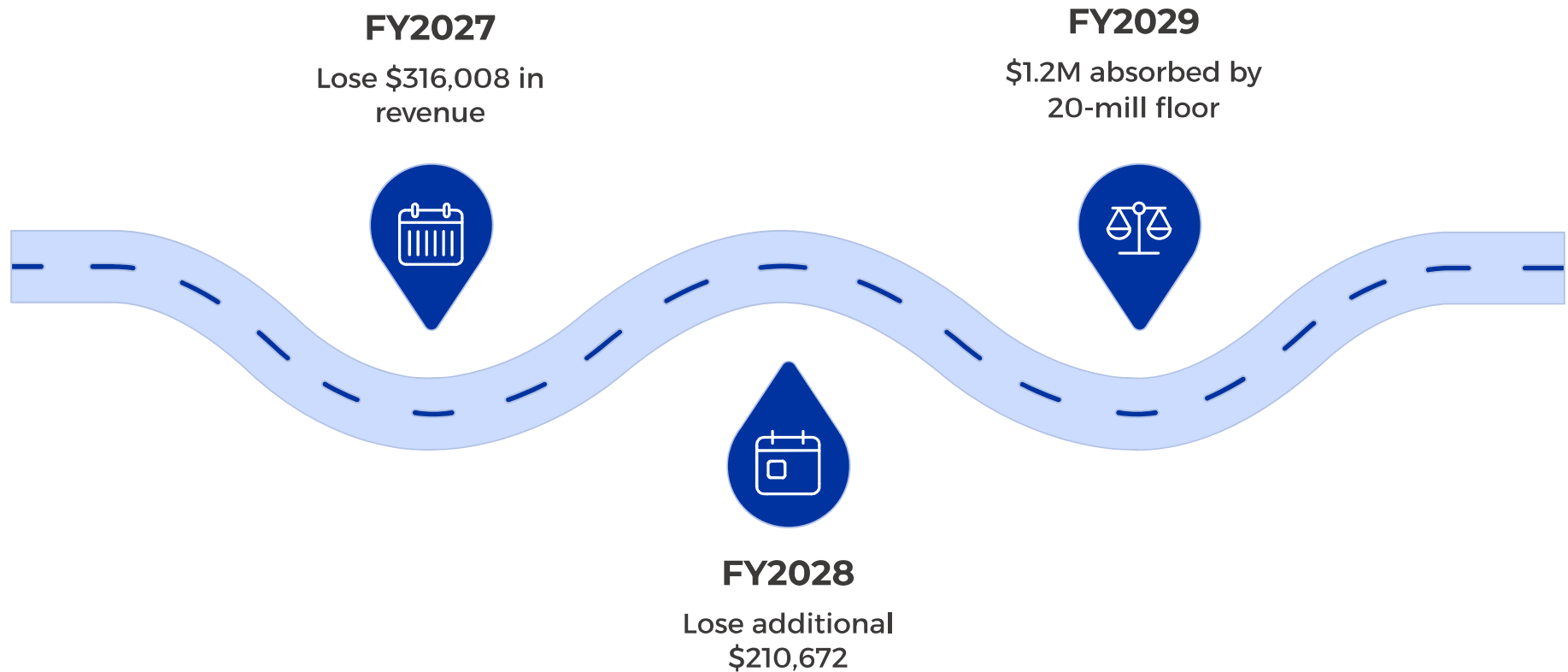
Counts emergency levies toward the 20-mill floor and subjects them to HB 920 reductions — **effectively eliminating that levy's revenue over time**. The \$1.7M emergency levy approved in May 2025 will be reduced to **\$0 over just three years**.

House Bill 309

Places additional caps on school district collections tied to property value growth through the county budget commission process. This effectively **transfers local control away from the elected school board** and gives it to the county.

The Emergency Levy: Disappearing Revenue

In May 2025, Warren Local voters approved a ten-year, \$1.7 million renewal of our Emergency Levy. Under House Bill 129, that levy will now be systematically reduced to zero — despite voter approval.



This is perhaps the most immediate and concrete financial blow to Warren Local. A levy our community voted to renew will be legislatively dismantled within three fiscal years, eliminating over \$1.7 million in annual operating revenue that funds classrooms, staff, and student programs.

HB 186: The Double Impact on Warren Local's Funding

House Bill 186 creates a dual challenge for Warren Local School District, impacting both local property tax collections and state aid through a mechanism of "phantom revenue."

\$819,365

Local Revenue Cap

HB 186 imposes an inflationary cap on property tax collections, preventing the district from realizing the full benefit of increases in local property values. Despite a rising tax base, Warren Local is legally prohibited from collecting the full amount of local revenue that would otherwise be generated.

*For FY2027: **\$819,365** reduction in local revenue*

\$410,986

State Funding Reduction

Ohio's school funding formula calculates state aid based on an assumed local capacity to generate revenue. Even though HB 186 limits actual local tax collections, the state formula continues to calculate Warren Local's local capacity as if those revenues are fully available – creating "phantom local revenue."

*For FY2027: **\$410,986** reduction in state aid*

Total HB 186 Funding Loss in FY2027: **\$1,230,351**

This significant deficit is directly attributable to HB 186 and the district's large reliance on Class I (residential and agriculture) property tax which makes up more than 85% of local funding; compromising the district's ability to maintain stable financial operations.

Budget Pressure Points: The Immediate Impact

These are **NOT** projections — they're **real cuts**, already taking effect in Warren Local School District.

Fiscal Year 2027

The district will lose local revenue from two legislative hits:

- HB 186 LOCAL: **\$819,365** in credit for taxpayers
- HB 186 STATE: **\$410,986** reduction in State Funding (Phantom Revenue)
- HB 129: **\$316,008** reduction from Emergency Levy

Total Estimated Loss for FY2027: \$1,546,359

Fiscal Year 2028

The losses continue, and HB 129 cuts deeper:

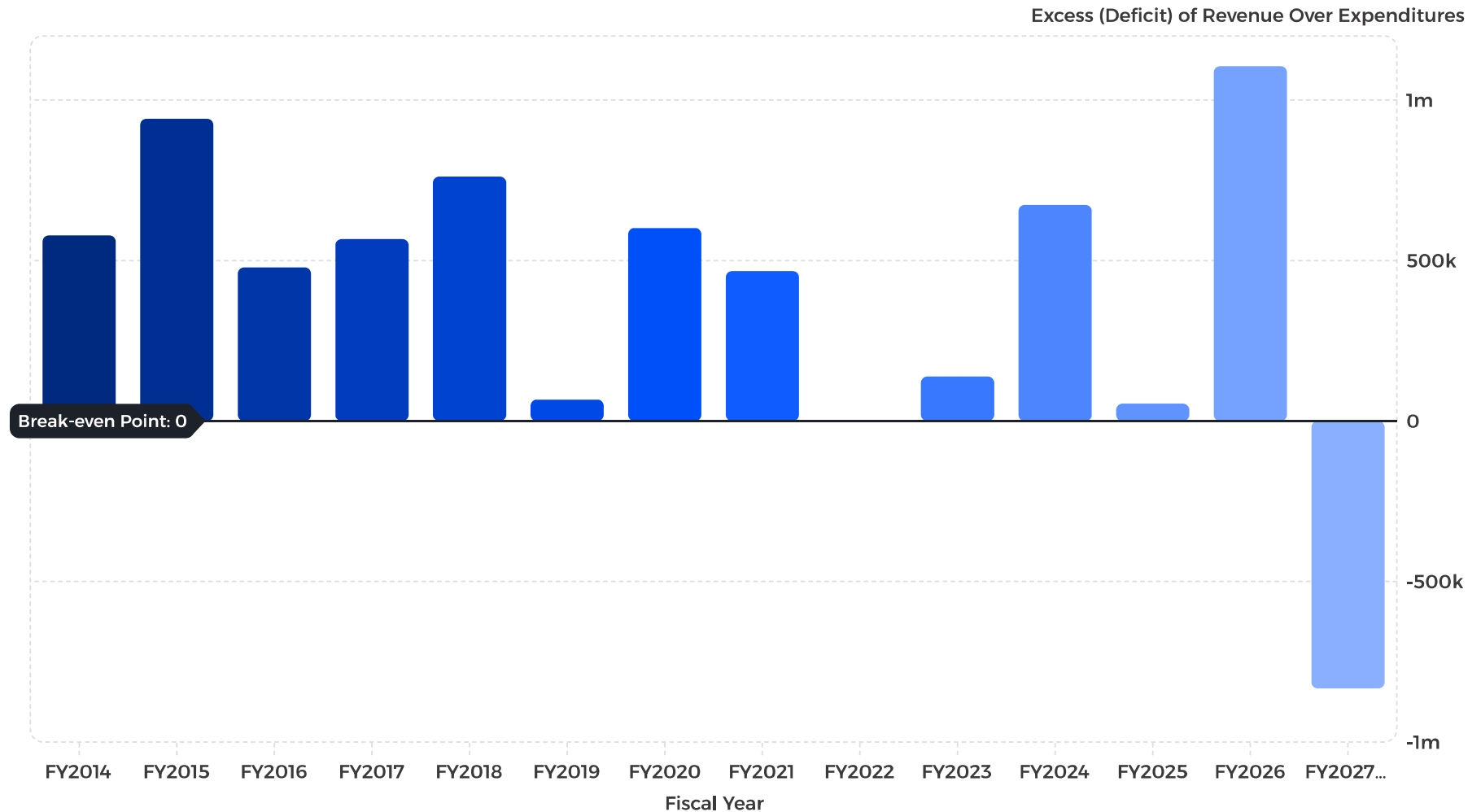
- HB 186 LOCAL: **\$819,365** uncollected tax (recurs)
- HB 186 STATE: **\$410,986** continued reduction - State Funding
- HB 129: **\$210,672** additional reduction from Emergency Levy

Total Estimated Loss for FY2028: \$1,441,023

That means less funding for our schools — even after the community voted to support them at the ballot box.

Financial Forecast: From Surplus to Deficit

For over a decade, Warren Local Schools prudently managed its finances, consistently achieving a positive balance where revenues surpassed expenditures. However, recent legislative changes are forcing a stark reversal of this trend.



As this forecast illustrates, FY2027 marks a critical turning point. For the first time in over a decade, the district is projected to experience a significant deficit, with expenditures expected to outweigh revenues by over \$800,000. Subsequent forecast years indicate an increasing deficit, posing substantial challenges to maintaining current educational programs and services.

Our Commitment to Students & Community

Despite these mounting financial pressures, Warren Local School District remains committed to fiscal responsibility, transparency, and delivering an exceptional education for every student.



~ \$13,000 per Student

Warren Local spends approximately \$13,000 per pupil – the **24th lowest in the state** – yet consistently delivers outstanding results for our community.



4-Star Report Card

Despite lean spending, Warren Local earns a **4-star state report card rating** and is recognized as one of the best districts in Southeast Ohio.



We Are Growing & Operating with Less

+ 125 Students | + 6.5% Enrollment
- 2.3% Staffing

Warren Local is serving more students with fewer staff while continuing to deliver strong academic results.

"We definitely recognize the importance of balancing the financial impact on local homeowners with the needs of our schools and community."